

DE VALERA IN MOVE TO RESUME PARLEYS WITH LLOYD GEORGE

Telegraphs British Premier
He Only Meant to Make
Irish Position Clear.

A MATTER OF PHRASING

One Says 'Republic,' Other
'No Republic,' but Really
Not Far Apart.

NEITHER WANTS A BREAK

London Paper Calls Difference
One of Form Rather Than
Substance.

Special Cable to THE NEW YORK HERALD.
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New York Herald Bureau.
London, Sept. 16.

With both Irish and British opinion, expressed through every possible channel, calling loudly for Irish peace, Eamon de Valera to-day took the first step in resuming the negotiations. He telegraphed to Premier Lloyd George at Gairloch declaring Ireland's future regarded that before her representatives entered any conference the position of the Irish people should be made clear.

The communication of the Irish "President" and the circumstances under which it was sent have strengthened the opinion that the situation is far from hopeless and that both sides are striving to avoid a rupture.

Mr. de Valera's note read:

"I received your telegram last night and am surprised that you do not see that if we on our side accepted a conference on the basis of your letter of September 7 without making our position quite clear Ireland's representatives would enter the conference with their position misunderstood and the cause of Ireland's right irreparably prejudiced. Throughout the correspondence that has taken place you have defined your Government's position. We have defined ours.

"If the positions were not so definitely opposed there would indeed be no problem to be discussed. It should be obvious that in a case like ours if there is to be any result the negotiators must meet without prejudice and untrammelled by any conditions whatever except those imposed by the facts as they know them."

In a general sense the negotiations are now bang up against a difficulty which has been barring a settlement for months. Actually the two positions are not far apart. But each side has taken a definite political stand upon certain catchwords—De Valera's is "the republic," Lloyd George's "no republic"—and the formula has not yet been found to reconcile the two.

Both Would Avoid Break.

De Valera's letter to-day coming on top of a wave of resentment over the prospect of breaking off the Irish truce expressed throughout the British Isles—with the exception of Belfast and the London Morning Post—taken with the lack of finality of Mr. Lloyd George's telegram calling off the conference last night, shows that both sides want to avoid a break. It would be futile to say now that it will be easy for success to result, for neither side can gracefully abandon the position which each has maintained on a heroic scale for months.

If Mr. de Valera in his letter to-day could have said what is the fact, that "we accept some form of allegiance from the British Empire if adequate liberties under that plan are assured," it would be easy for the Premier to accept.

If Mr. Lloyd George could say what is equally the fact: "All right, come in, let's talk it over," it would be easy for Mr. de Valera.

But both sides insist on going to the conference with the flags flying, whether they are nailed to the mast or not. One extremely hopeful element in Mr. de Valera's letter is that it confines its references in defining his position to the actual negotiations, leaving out any reference to the rights and desires and irrevocable determinations of the Irish people.

Lloyd George to Try Again.

What he is plainly trying to get is an opportunity to send his "sovereign" and "republican" plenipotentiaries into the conference to strike his bargain, and it will be a shrewd move then to submit the results to the Irish people at a new election.

Mr. Lloyd George is now returning from Scotland for a Cabinet council here. There is no doubt that there will be force present at the council meeting to press for breaking off the negotiations and launching upon the pacification of Ireland. But what seems most likely to happen is that Mr. Lloyd George will try to frame a new letter, saying, "All right, come into the conference with your sovereign flag flying."

19TH HOLE IS VOLSTEADED BY NORTH HEMPSTEAD CLUB

Board of Governors Tells Members They Must Do
Their Drinking at Home—Familiar Post Mortem
in Locker Rooms Hard Hit by New Order.

The nineteenth hole, which—say it low—is still open in many a place where golfers congregate in this more or less arid land, has been definitely closed so far as the North Hempstead Country Club is concerned. Such members as didn't know it have recently been apprised of the fact by the receipt of the following printed postcard:

Enforcement of the Volstead Act By North Hempstead Country Club. By order of the board of governors members of the North Hempstead Country Club are hereby notified that the Volstead act will be enforced by the club. No member shall bring intoxicating liquors into the clubhouse or on the club property.

North Hempstead Country Club. So far as public record goes this is the only country club near New York which has taken this action. The governors of the North Hempstead club, which is near Port Washington, came to their decision last month. The president, John H. Love of Roslyn, said when The New York Herald asked him about it last night:

"We did this because, while prohibition is the law of our country, it is the right thing to do. The members must obey the law, resign or be thrown out. None of them has resigned or been expelled; all are obeying the law. Our club has a family atmosphere and there is general agreement that the governors have acted wisely. For one thing, drinking in country clubs is unnecessary; the members can get it

in their homes, if they want to, without violating the law. For another thing, it promotes Bolshevism among the club servants, who cannot get liquors, but observe that persons of wealth can. Furthermore, we want the club to be a place, as it has been and is now, where the wives and children of the members can go freely. Finally, the bringing of liquor to the club is against the law; the North Hempstead Country Club observes the law."

The club has twenty governors. Among them, in addition to Mr. Love, are F. S. Fales of the Standard Oil Company, Edward Roessler of Laidlaw & Co., William H. Evans of Leslie, Evans & Co., H. H. Hoggins of Roslyn, J. B. Pittman of Manhasset, Le Roy Latham, head of the Latham Lithographing and Printing Company; Walter Dunser, Bradford Merrill of the Hearst publications and Howard B. Brumley, who is treasurer. The secretary is Glenn E. Fontaine. Fontaine Fox, the artist, is one of the members.

Members of the club say that no great amount of drinking has been going on, but that until the new rule was adopted it was possible for a person to sit on the veranda of an evening after a hard day's work ploughing up the course and order ginger ale, into which something might be discreetly poured from a hip flask. It is assumed that a health to old Better Luck Next Time may have been drunk in locker rooms now and then. But the members are sure that bootlegging by servants, which is not unknown at some country clubs, has not been observed at the North Hempstead.

MYSTERY AIRPLANE VISITOR NOT MORGAN

Speed Tourist to Capitals of
Europe Proves to Be Lucien
Sharpe of Providence.

GERMAN BLUFF EXPLODED

Reports That American Financier
Is Negotiating Big Deals
Set at Rest in Paris.

Special Cable to THE NEW YORK HERALD.
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New York Herald Bureau.
Paris, Sept. 16.

"No, I am not Mr. Morgan, and it is nobody's business who I am or what I have been doing for the last three weeks," declared the mysterious airplane tourist who many newspapers and bankers throughout Europe asserted was the American financier.

A part of the mystery was cleared up, however, when The New York Herald correspondent here traced the air voyager to a residence in Avenue Raphael, where he was assured the man of mystery was Lucien Sharpe, a wealthy munitions manufacturer of Providence, R. I.

This was confirmed at the Paris Prefecture of Police this afternoon, where it was explained that Mr. Sharpe's passport was illegitimately written and this had caused a mistake in his Christian name in the official records, where the name appears as Charles Sharpe.

At the Morgan-Harjes offices here it was further explained that Mr. Sharpe, like many other Americans, used this address for mailing purposes. Statements by German bankers received in Paris during the last few days indicated a great bluff regarding secrecy on their part in connection with the identity of the mysterious airplane passenger and reports of conversations between him and members of the Huxley-Sinnes group. This bluff, it was charged, was a part of a great scheme by them for affecting international exchange.

It was considered here to-day, however, that a more likely thesis was that Mr. Sharpe intended investing in European aircraft exploitation and used a mysterious twenty-three day trip in a De Havilland was airplane in order to show the public that a Continental tour by air could be carried out with the utmost security and at a moderate cost of less than 500 francs a flying hour.

Mr. Fox, manager of the De Havilland company, before leaving here for London this afternoon, stressed this in a brief interview, but he refused to comment on his passenger's business in Europe, declaring that an ironclad contract provided that the passenger could not be compelled to pay for the trip if Mr. Fox or his associates revealed either his identity or the purpose of his trip. Mr. Sharpe left here for London to-day.

Special Dispatch to THE NEW YORK HERALD.

PROVIDENCE, R. I., Sept. 16.—Lucien Sharpe, the brother of Henry D. Sharpe, a Providence millionaire and head of Brown & Sharpe Manufacturing Company, manufacturers of machine tools, which in normal times employs from 5,000 to 8,000 men. He is unmarried and is regarded as somewhat eccentric.

F. D. ROOSEVELT IMPROVES.

Franklin D. Roosevelt, former Assistant Secretary of the Navy, who is in Presbyterian Hospital with a mild attack of infantile paralysis, and Senator Lawrence C. Phillips of Colorado, who was operated on in Flower Hospital September 2 for appendicitis, were reported to be improving yesterday.

DRUGGISTS ACCUSED IN BOOTLEG RING

Wholesalers by Bogus Permits
Said to Be Flooding the
City.

ONE ARREST IS MADE

Enright Called Before Grand
Jury to Explain Illegal
Police Arrests.

The wholesale drug trade is now under fire in the investigation and prosecution of illegal liquor selling which is being carried on here by E. C. Yellowley, the internal revenue expert, who is temporarily assigned from Washington to assist Harold L. Hart, State director, in the attempt to reduce New York's bootlegging activities to a minimum. Mr. Yellowley announced yesterday he has begun to concentrate his attack on the drug men, believing more than one-half of those who hold wholesale liquor permits are engaged in illicit manufacture and sale.

Several wholesale druggists, the prohibition officials have discovered are working under a combination, the members of which are really not druggists at all. In one instance agents learned that a stock of caustic oil shown to an investigator by one applicant for a liquor selling license was sent to another applicant after the first license had been granted. This practice of moving the stock from one store to another as soon as the application is granted has been a common method of camouflage for bootlegging activities.

The arrest of Michael Boffina, a representative of the Melrose Drug Company of 290 East Fortieth street, on Thursday night on a charge of attempted bribery was made in connection with the investigation of these practices, the complainant being one of Mr. Yellowley's staff.

Boffina's arrest was made after two reports were made at prohibition headquarters that he was favorably to the drug company, which, like all, was required to show its stock and business to the investigating agents. A third investigator was sent out to check up on the reports, and he, it is alleged, was offered a bribe to make a favorable report.

Mr. Yellowley was asked if any prohibition agents are under suspicion as being implicated in the work of the "wholesale drug" ring. He replied he was not yet sure about that. Agents Miller and Grill arrested Boffina, they say, after he passed over to them \$400 and then \$200 more.

Records in prohibition headquarters show that seventy-four druggists have wholesale liquor permits, many of which are believed to be bogus. Eighty filed applications for permits are being held for investigation by agents of the status and reputation of the wholesale druggists who made them.

Under a recent ruling wholesale druggists are permitted to procure only 10 per cent. of the alcohol they have orders for. Much of the stuff sold by them as whiskey is not the liquor secured from distilleries under permit, but mere colored alcohol made on the druggists' premises.

Mr. Yellowley believes most of the illicit liquor now in New York is placed in circulation by these wholesale druggists of mushroom growth. It is not the established firms in this business who are causing the Government trouble, but the host of bootleggers who never had any connection with the drug business but saw in it an open door to wide liquor selling opportunities.

It is believed some of the liquor put into circulation by these men has been

FUMES OF AMMONIA ROUT 5,000 SLEEPING TENANTS FROM BEDS

More Than 2,000 Choked by
Gas Restored by First
Aid Methods.

SIX BLOCKS AFFECTED

Sixty Persons Treated in
Hospitals—Patrolman
Dickie Badly Burned.

FIREMEN ARE OVERCOME

Cylinder Head Blows Out at
Knickerbocker Ice Plant,
Avenue A and 70th St.

The cylinder head of ice machine No. 2 of the Knickerbocker Ice Company's plant at Avenue A and Seventh street blew off last night at 9:30 o'clock under the pressure of 180 pounds of steam, and released more than 600,000 cubic feet of ammonia gas, formed from 2,000 pounds of liquid ammonia. The fumes of the ammonia seeped into tenements within a radius of half a dozen blocks, driving more than 5,000 persons from their homes and injuring 2,000 of them so seriously that they had to be treated by twenty ambulance surgeons.

All the injured were able to move at once out of the danger zone after they had been treated with the exception of sixty who did not respond at once to the emergency treatment. These were rushed to hospitals, principally to Flower Hospital, for further treatment. Within two hours after the explosion, however, all had returned home excepting Patrolman Peter Dickey of the Arsenal station, who is still in Flower Hospital in a serious condition. Patrolman Dickey collapsed from suffocation and burns after he had gone through the tenements without a mask and carried a score or more of women and children to the first aid station established by the surgeons.

Excitement Is Tremendous.

The district affected by the fumes of the escaping ammonia runs from Avenue A to Exterior avenue, west to Third avenue and north and south to about seventy-third and Sixty-seventh streets. Virtually every tenement in that section, housing many thousands of persons, was emptied by firemen and policemen, who, wearing masks furnished by the Fire Department's rescue squads, went through the house, banging on doors with their nightsticks and warning the people to run to safety. Old men and old women were carried out by the firemen and the patrolmen, as well as hundreds of babies too young to walk down the stairs or descend the fire escapes. The population of this district is largely foreign, and the excitement was tremendous.

Few of the people affected knew what it was that burned throats and made their eyes swell shut with pain. They ran wild down the stairs and clambered like squirrels down the fire escapes, most of them in their nightclothing, but hundreds carrying their belongings. Until the policemen put a stop to it the streets were piled high with bedding and pieces of furniture, and crowds of frightened persons huddled together or ran shrieking about, tearing at their burning throats and crying for help. The police—mostly the reserves of the East Sixty-seventh street station—finally herded them into long lines and marched them to Sixty-ninth street and Avenue A, where eleven ambulances stood waiting, the surgeons having established a first aid station.

Scare Lasted Two Hours.

There the doctors gave them soothing drinks for their burning throats and dressings for their bodies. Then those that were not seriously affected were sent on toward Second and Third avenues beyond the police lines, while those whose suffering was intense or who complained of pains after the emergency treatment were bundled into ambulances and hurried to the hospital. Within two hours after the explosion started the neighborhood and sent the fumes of the ammonia sweeping into the tenements the flow of gas had been cut off, the injured had been treated, and the entire population of the district was marching back into their homes between lines of policemen and firemen, themselves burned and sore, but still on duty.

The ice machine from which the cylinder head blew off was on the ground floor of the ice company's plant. Alongside it, working on machine No. 3, was an older, Sturtevant type of 413 East Sixteenth street. At the instant of the explosion this machine realized what had happened and he leaped forward to try to shut off the flow of ammonia which the blowing out of the cylinder head had released. He failed because the gas came up in such huge quantities and he staggered back, blinded, burned and choking, and managed to make his way into the street. There a policeman

Continued on Ninth Page.

CITY OR SHPOWNEERS LOSE \$4,000,000 A YEAR ON DOCKS; COURT ACTION IS DEMANDED

Brown Tells Meyer Committee
of Enormous Sums Diverted by Extortioners.

PROFIT 280 PER CENT.

Gen. O'Brien Calls Management
'Iniquitous' and In-
sists Guilty Be Caught.

RENTS LESS THAN COSTS

Dredging Absorbs Income of
One Pier—Legislature Held
to Be to Blame by Hulbert.

Under what Elton R. Brown, counsel for the Meyer committee, described as "a secret uncontrolled system of extortion," the municipal piers have been sublet by private agents with profits at the rate of more than \$4,000,000 a year. This is either a loss to the city or an unnecessary burden on commerce entering this port, resulting entirely from bad management.

Operation of the Chelsea piers, the finest in this port, was defined as "absolutely iniquitous" in that totally inadequate returns are paid to the city, unjust discrimination is given in favor of a few shippers who hold the piers and the public suffers the penalty.

Gen. Edward C. O'Brien, who was Dock Commissioner under Mayor Strong and special investigator for the United States Shipping Board, charged that the Department of Docks was guilty of criminal negligence in permitting profiteering by the corporations and persons leasing city piers. He told the committee that its duty is "never to adjourn until it has searched out and convicted the men guilty" of practicing extortion on commerce here.

Hulbert Treated 'Unfairly.'

At the end of the day's session in City Hall Murray Hulbert, Dock Commissioner, issued a statement saying he had been treated unfairly in the newspapers; admitting that he was the best Dock Commissioner New York ever had and stating that any one who read the testimony taken by the Meyer committee would recognize instantly that this statement was a fact.

Investigation of the Dock Department was suspended at least temporarily yesterday. The committee's agents were sent to the offices of the United States Shipping Board to go through records filed there by Gen. William M. Black, U. S. A., retired, dealing with profiteering on piers. Senator Meyer said he was not certain when the dock inquiry would be resumed. There is much evidence on the subject yet to be presented. The committee spent two days going into evidence presented by The New York Herald and its own case as prepared was delayed.

The Police Department is next on the schedule and the plan now is to open with Commissioner Enright on the witness stand next Monday afternoon. The police inquiry probably will take two weeks.

The city's rental to twenty-four leased piers is \$1,484,717, Frank C. Rippon, investigator for the Meyer committee, testified. These are the piers covered in Gen. Black's report. At the rate they charge the shipping interests who lease these piers receive \$5,685,000 a year in revenues for wharfage and service through subletting.

Profit of 280 Per Cent. Shown.

This figure is based on the assumption that the piers were used to capacity, whereas, in fact, they were occupied under sublease only part of the time. The average berth charge demanded by the lessees is \$240 and the amount received by the city is \$63. This represents a profit of 280 per cent.

Mr. Rippon read into the record a report made by David Hirschfeld, Commissioner of Accounts, questioning the advisability of getting only 7 1/2 per cent. return on city investment through a proposed lease of Pier 2, Hudson River. The lease was made, however, on that basis. The city administration after that went ahead with its Staten Island project costing \$28,000,000 and issued leases on the same

Continued on Second Page.

Great New Piers Leased on Losing Basis, Despite Warning to Hyland by an Aid

THE hearing yesterday before the Meyer committee upon the city's pier leases revealed:

That in addition to having its old pier leases profiteered upon at a rate of \$4,000,000 a year the leases negotiated for new piers on a 7 1/2 per cent. basis will mean a loss of 1 1/2 per cent. on thirty year leases and 2 1/2 per cent. on fifty year leases.

That David Hirschfeld, Commissioner of Accounts, who is Mayor Hyland's own investigator, knew that such would be the case and warned against making such leases.

That despite that knowledge Pier 2, Hudson River, and the new \$28,000,000 piers on Staten Island were leased on that losing basis.

That the city under the terms of the Staten Island leases is losing control of its new piers.

That the leases are a speculation, in which only the lessee can gain.

That the piers are not self-sustaining on that basis and will be a drag on the treasury, to which they should add revenue.

HYLAND 126,105 SHORT ON SCHOOL SEATINGS

Board's Figures on Registration
Show Failure of Promised
Facilities for All.

PART TIME IS INCREASED

39,828 More Pupils Than Last
September Must Attend on
Limited Schedule.

Mayor Hyland is just 126,105 school seats short of his election promise four years ago to provide a seat for every school child in the city. The above figure was taken from the school registration report of his own Board of Education which was made public yesterday.

The report shows further that, despite the Mayor's recent statements elaborating the number of new schools he has built and intended to build but hasn't, there are 39,828 more pupils this September who are relegated to part time attendance for lack of facilities than there were last September.

The registration figures show that registration and attendance in public schools is the greatest this autumn in the history of the city. The total registration in day schools as of September 14, 1921, is 909,638, an increase of 53,545 over the registration of that date last year. The total attendance at day schools on September 14 of this year was 835,000, as against 770,610 on the corresponding date of 1920, an increase of 67,390. Of the foregoing 1921 totals, 816,399 represents the registration in elementary schools and 757,538 represents the attendance in elementary schools, the remainder being in high, training and vocational schools.

The number of elementary pupils on part time is 92,875, and of high school pupils 32,250, which gives a total of 126,105 in all the day schools this term. The increase over last September's part time pupils is 29,828, the largest number of which are in the high schools.

The Borough of Manhattan is the banner borough for elementary part time, 5,747 being the figure already registered this term. Even the Borough of Brooklyn, where most of the new schools were opened this term, shows an increase of 2,588 pupils over September, 1920. In the Bronx, where two new schools have been opened, there are still 3,697 more part time pupils in the elementary schools than there were a year ago. No new schools have been opened in Manhattan. In Richmond, where one school has been added this term, there are 329 part time pupils in the elementary classes. The figures of Queens show an increase of 732 pupils.

When, prior to the opening of school on Monday, it was predicted that the total number of part time pupils would reach close to 95,000, members of the Board of Education and Mayor Hyland appeared to be hopeful, if not confident, of a more satisfactory condition when the actual totals had been compiled by William L. Kittinger, City Superintendent, who issued the official tables for this term. The actual total of part time pupils is more than 30,000 in excess of the prediction, which shows that it was a conservative guess.

Appended to the report on registration and attendance for September 14, 1921, is an estimated registration for September 30, 1921, showing a decided increase over the figures for the opening week of this year. The estimated registration in elementary schools in the five boroughs is given as 835,973. In the high schools 35,911; in the training schools 1,532, and in the vocational schools 3,402, which makes a total registration of 926,815. This is an increase in the estimated number of 48,676 over the estimated number for the opening week of this year.

After Dr. Kittinger issued the tabulation Annin S. Prall, president of the Board of Education, gave out the following statement:

"The increase over September of last year in elementary schools is 40,288; in the high schools, 12,480; in training schools, 243, and in vocational schools, 324, making a total in all day schools of 53,545. Such a large increase is unparalleled in the history of the city school system.

The greatest increase ever shown before was 36,000, in 1914. The average increase of the last nine years is 15,500 per annum, while the increase this year, being 53,545, shows the registration for September, 1921, to be 35,044 above the average.

"The total number of pupils registered is 909,638, as against 856,113 in 1920."

ARBUCKLE TO STAND TRIAL FOR MURDER

Unexpected Move by Prosecution
Blasts Hope of Release
in Bail.

NEW WITNESSES CALLED

Inquiry Starts Into Forty
Quarts of Liquor Drunk at
Fatal Party.

SAN FRANCISCO, Sept. 16.—With the formal announcement to-day that Roscoe C. (Fatty) Arbuckle, motion picture comedian, would be prosecuted on a charge of murder in connection with the death of Virginia Rappe, actress, following a Labor Day party in the actor's hotel rooms here, both the prosecution and defense squared away to-night to arrange for the trial, the first chapter of which will be written next Thursday, when the prisoner will enter a plea.

When District Attorney Matthew Brady in the Court of Police Judge Sylvain Lazarus to-day announced that "the people are ready to proceed on the murder charges" he blasted hopes of the defense that Arbuckle would be at liberty on \$5,000 bond set by the court when a Grand Jury indictment charging the defendant with manslaughter was returned.

It was indicated to-day that the prosecution's decision to go to trial on the murder charge was a surprise to the defense. From Los Angeles came reports that Arbuckle already had made train reservations for a trip from San Francisco to that city this evening. Murder is not a bailable charge in California.

District Attorney Brady has the support of the Board of County Supervisors in his prosecution of Arbuckle. It was shown when the finance committee of that body appropriated \$1,000 for immediate expenses of the trial and promised more when needed. Brady had asked the board for additional funds, declaring much wealth would be expended by the defense.

Mrs. Bambina Maude Delmont, who swore to the murder charge on which Arbuckle to-day appeared in court, viewed Miss Rappe's body to-day and is reported to have suffered a collapse. The body, according to present plans, will be shipped to Los Angeles to-night.

Robert H. McCormack, assistant United States Attorney-General in charge of liquor prohibition prosecutions, said he expected to present to the Federal Grand Jury Tuesday evidence that liquor was served and consumed at the party given by Arbuckle, in which Miss Rappe was alleged to have received her fatal injuries.

In addition to his other troubles Arbuckle may suffer the loss of his custom made automobile, said to have cost \$25,000. Government officials say it is shown that liquor was transported from Los Angeles to the automobile in the automobile it is liable to confiscation.

Subpoenas were issued to-day summoning Lowell Sherman and Fred Flahback, declared to have been guests at the party, to appear before the United States Grand Jury here.

Sherman and Flahback were questioned yesterday concerning the liquor alleged to have been consumed at the Arbuckle party. According to Robert McCormack, assistant United States District Attorney, Flahback said more than forty quarts of liquor were consumed in three days in the Arbuckle apartments.

A development to-day was the announcement that Dr. Arthur Beardsley, house physician in the St. Francis Hotel and the physician who first attended Miss Rappe, is being sought by the authorities.

Bigger crowds than usual greeted Arbuckle's public appearance. A few minutes before his case was called in police court for a preliminary hearing on one of the murder charges, the crowd, mostly men, attempted to rush through the doors. They were held back by police. Members of the Women's Vigilance Committee, formed for the purpose of assisting the police and prosecuting officials of the city in maintaining law and order, were present at the court hearings.

Following the court session, District Attorney Brady gave out a statement in which he explained the reasons for his determination to press the murder charge. Later, in asking the finance committee of the County Board of Supervisors for a special fund with which to prosecute Arbuckle, he said:

"We may have to go to all parts of the United States for a fund."

TO SQUEEZE OUT ALL WATER, REORGANIZE, UNIFY TRANSIT LINES

Plans of Commission Include a Clean Sweep of Tangled Finances of Roads.

AIM AT ACTUAL VALUE

Decision, Made After Six
Months of Study, Not
Likely to Affect Five
Cent Fares.

BLOW AT HYLAND CHARGES

Big Roar From Financial Interests
Expected in Clearing
'50 Years of Wild Dealings,
Some Scandalous.'

A report of the Transit Commission, which now is expected to be made public early next week, will show that the plan for reorganization and unification of the city's transit systems will include a clean sweep of the tangled financial condition and overcapitalization of the companies, it was learned yesterday. The commission purposes, it is understood, to put the companies back upon a basis of valuation at what the properties are actually worth, and to eliminate the large amount of "watered" stock and other excessive valuations which are said to exist.

No governmental action touching the transit companies ever undertaken here, it is believed, brought such a protest as will this move. The commission is expecting a storm, but it is known also that the body is committed thoroughly to the plan and is determined to execute it.

In fact, it was ascertained yesterday that the forthcoming report is to be solely for the purpose of informing the public of the commission's intentions and not for laying open any part of the plan to controversy. For six months the commission has been studying the New York transit situation, finally has made up its mind about what should be done to remedy conditions and intends to carry out its plans unchanged. THE NEW YORK HERALD is informed.

Fares on Fair Basis.

"There is no time now to quibble over details," is the attitude of the Transit Commission, according to an authority believed to be familiar with the plan.

It was learned that the commission is not greatly concerned over whether the fare shall remain at 5 cents, go up to 6 or 7, or conceivably drop to 4 cents. The commission is understood to take the position that when the fundamental conditions underlying the transit situation are reduced to a firm, fair foundation the rate of fare will take care of itself—in other words, that when a just and reasonable basis of valuation is reached a fair return would be determined upon that basis. It was regarded as likely, however, that an analysis of the commission's plans would show the rate of fare would not exceed 5 cents.

It is understood to be the purpose to put the transit companies on a footing so that they may obtain a profitable return upon a fare that is reasonable and just to the riding public, and to safeguard that footing so that financial manipulations to disturb it would not be possible.